

Attachment 2

San Diego Healthcare Connection

Target Populations

Overview

San Diego Healthcare Connection pilot program targets uninsured San Diego workers and their families. During the initial phase of the pilot project, the targeted population includes full-time workers and the self-employed; the second phase includes uninsured part-time and employees with multiple-employers.

Table 1

Target Group	0-199%	200-299%	300% +	Total	Under 300% FPL	% of Total
Working Families With Children						
Adult Workers	62,406	3,373	5,441	71,220	65,779	29.2%
Spouses	19,714	981	1,927	22,622	20,695	9.2%
Children	47,786	2,582	4,166	54,534	50,368	22.4%
Subtotal	129,906	6,936	11,534	148,376	136,842	60.8%
Other Working Adults	59,379	29,027	47,722	136,128	88,406	39.2%
Total Target Population	189,285	35,963	59,256	284,504	225,248	100.0%
Total Phase 1 Target Population	121,785	32,400	53,163	207,348	154,185	68.5%

The sections below provide an overview of uninsured San Diegans followed by an overview and profile of the San Diego Healthcare Connection target population (*Exhibit 1*).

San Diego Uninsured Are Increasing

It is estimated that more than one in five (21.9%) non-elderly (421,000) San Diegans were uninsured all or part of 2003; more than one in four (25.4%) adults and more than one in ten (13%) children. The percentage of uninsured adults increased from 23.3% to 25.4% between 2001 and 2003, an alarming nine percent (9%); the percentage of uninsured children decreased by close to 20% (*Table 2*).

Assuming the 2003 percentages, it is estimated that there are close to 600,000 uninsured nonelderly San Diegans in 2005, including over 100,000 children; of this group, approximately 452,000 adults and 86,000 children are estimated to be full-year uninsured.

Table 2
San Diego Uninsured

Category	2000*	2001	2003
Children	19.0%	16.1%	13.0%
Adults	23.2%	23.3%	25.4%
All	22.0%	21.2%	21.9%

*Three year average

Over the same period, there were significant declines in the percentage of non-elderly San Diegans with employment-based coverage (*Table 3*). The percentage of children covered by job-based coverage declined from 62.9% in 2001 to 56.8% in 2003, a decrease of close to 10%; adult coverage dropped from 62.8% to 60.3% over the same period representing a decrease of just over 4%. Much of

the decrease in job-based coverage for children was offset by increased enrollment in public health coverage programs (i.e., Healthy Families and Medi-Cal).

Table 3
San Diegans With Job Based Coverage

Category	2000*	2001	2003
Children	57.0%	62.9%	56.8%
Adults	55.6%	62.8%	60.3%
All	56.0%	62.9%	59.4%

*Three year average

There is every indication that the percent of uninsured San Diegans has continued to increase since 2003; double-digit health premium increases, a sluggish economy and a continuing shift to contract employment are all indicators for increases in the uninsured among both workers and their dependents.

It is important to note that insurance status is not static, individuals move in and out of insurance categories as their circumstances change. For example, each month, some individuals are discontinued from Medi-Cal coverage and others are enrolled resulting in relatively consistent enrollment level. The same is true for job-based and other forms of coverage. Therefore, the percentages cited reflect estimates for the average number of individuals in a category at a point in time.

All Income Groups Are Affected

Approximately 67% of the uninsured live in families that are under 200% of the federal poverty threshold (FPL) – 37% under 100% of the FPL. Only 25% of those with *any* form of health coverage, public or private, are under 200% FPL (*Table 4*)

While lower-income groups are more likely to be uninsured, every income group is impacted. Approximately 13% of the uninsured are between 200-299% of FPL. More than one in five uninsured (21%) compared to more than six in 10 (61%) insured are at 300% or more of FPL

Table 4
San Diego Insurance Status (2003)

FPL	Uninsured	Insured	All
0-199%	67%	25%	32%
200-299%	13%	14%	14%
300% +	21%	61%	54%
Total	100%	100%	100%

Within income groups, the uninsured comprise 35% of all San Diegans under 200% of the FPL, 15% of those between 200-299% of the FPL and 6% of those 300% of the FPL and over.

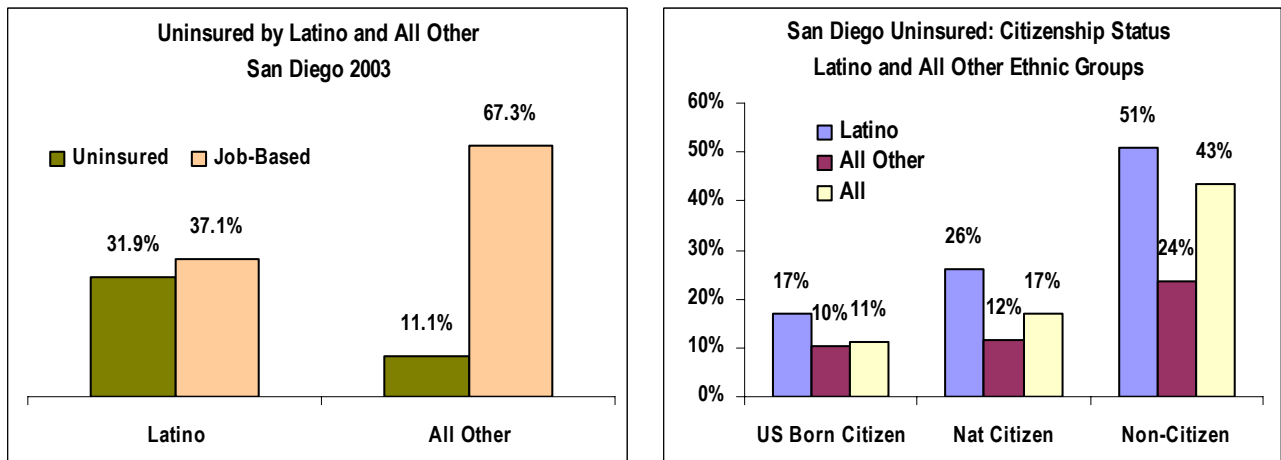
All Ethnic Groups Impacted – Some More than Others

All ethnic groups are impacted; however, Latinos are significantly more likely to be uninsured than other ethnic groups. Approximately 32% of San Diego Latinos are uninsured compared to 11% of all other ethnic groups combined. Only 37% of Latinos have job based coverage compared to 67% of all other ethnic groups combined (*Table 5*).

Higher rates of uninsurance among Latinos can be explained, in part, by citizenship status; however, even among US Born and Naturalized Citizens, Latinos are much more likely to be uninsured than

other ethnic groups. Concerns regarding immigration status (e.g., public charge), income levels, as well as cultural beliefs and barriers may well be factors that impact the high rate of Latinos without health coverage.

It is important to note that the Non-Citizen category includes legal immigrants; the California Department of Finance (DOF) estimates an annual average of 18,500 new legal immigrants to San Diego County over the past five years (2000-2004) and approximately 160,000 legal immigrants over



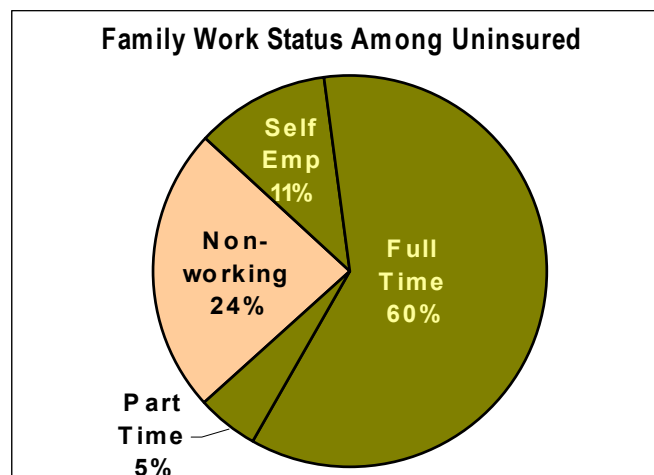
the past 10 years. The median number of years of legal residency status prior to naturalization in 2000-2002 was 11 years; many legal residents remain in that status for well over that period.

Table 5

Most of the Uninsured are in Working Families

It is estimated that approximately 76% of the uninsured in California are in families with one or more working adult. San Diego uninsured data are available by individual rather than family group; San Diego's uninsured profile is relatively close to the statewide profile and, therefore, California percentages have been used to provide a broad estimate of the San Diego uninsured in working families (Table 6).

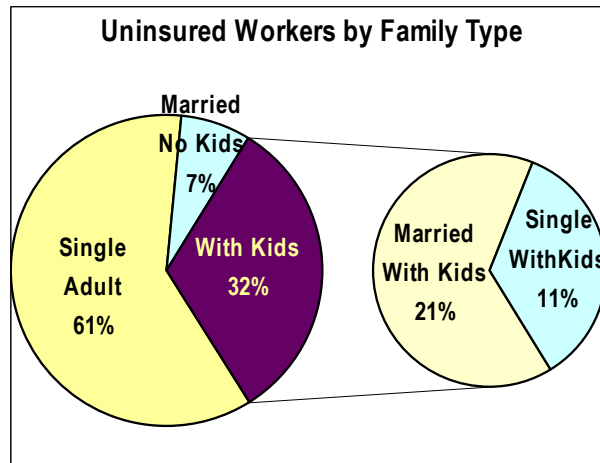
Table 6



Approximately 60% of the uninsured are in families with one or more family member working full time, 5% working part time, 11% self-employed and 24% non-working; it is estimated that approximately 344,000 uninsured San Diegans are in working families.

Approximately 63% of uninsured San Diego adults are working; 52% full time and 10% part time. Of those not working, approximately 13% are looking for work and 25% are not working and not looking; of those not working and not looking, most are students or caring for children at home. There are an estimated 227,000 uninsured adult workers in San Diego; approximately 190,000 working full time and 37,000 working part time.

Table 7



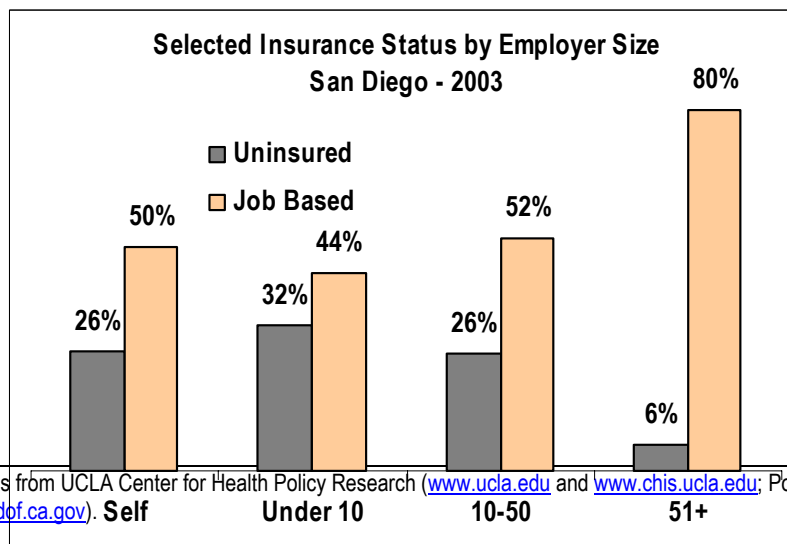
Most uninsured workers are single adults without children (61%), 32% have children (21% are married with children and 11% are single with children (*Table 7*).

A growing number of uninsured workers are self employed. In 2003, an estimated 24% of uninsured workers were self-employed, up from 22% in 2001 (9%). The self-employed include those individuals working for firms as independent contractors. An estimated 76% worked for firms with 2 or more employees.

Most Uninsured Employees Work in Small Firms

Approximately 89% of uninsured *employees* work full time and most work in small firms with under 50 employees (70%); 45% in firms with under 10 employees and 25% in firm with 10-50.

Table 8



Note: Data on insurance status from UCLA Center for Health Policy Research (www.ucla.edu) and www.chis.ucla.edu; Population data from State Department of Finance (www.dof.ca.gov). **Self** **Under 10** **10-50** **51+**

Overall, it is estimated that 26% of all self-employed, 32% of workers in firms with under 10 employees and 26% of those between 10-50 employees are uninsured compared to 6% of those working in firms with more than 50 employees (*Table 8*). While workers in larger firms are more likely to be insured, they represent almost 30% of all uninsured employees, or approximately 50,000 workers.

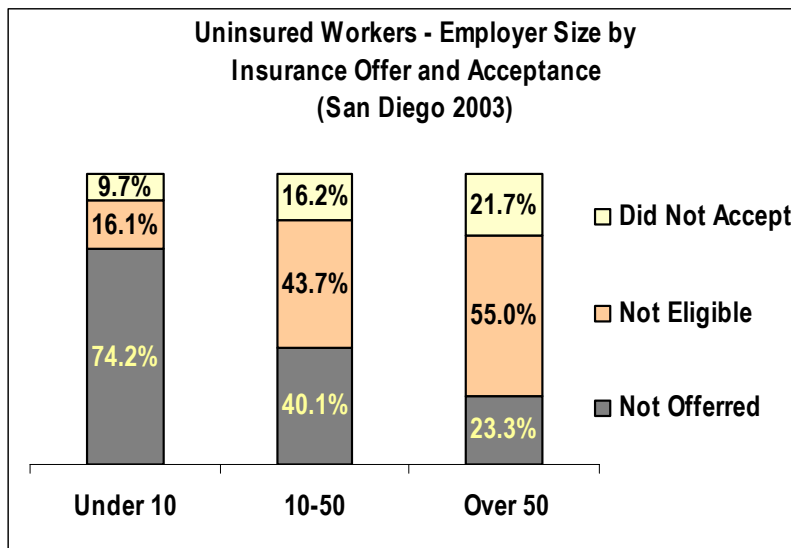
It is estimated that in 2005 there are approximately 153,000 full-time employees and approximately 20,000 part-time uninsured San Diego employees. An estimated 83% of part time uninsured employees work in firms with fewer than 50 employees.

Most Uninsured Workers Not Offered Employer Coverage

Most (74%) uninsured employees working in firms with under 10 employees are not offered coverage by their employer (*Table 9*). In aggregate, 62% of full-time employees in firms with 50 or fewer employees are not offered coverage; an additional 24% are not eligible for benefits and 14% were eligible but did not accept benefits. Comparatively, approximately one-third of uninsured workers in firms with more than 50 employees report that they were eligible and did not accept benefits, one third that they were not eligible for benefits and one third that they were not offered benefits.

Approximately 35% of all uninsured employees reported that they are not eligible for benefits offered and 17% reported that they were eligible but did not accept benefits; the primary reason cited for non-acceptance is affordability.

Table 9

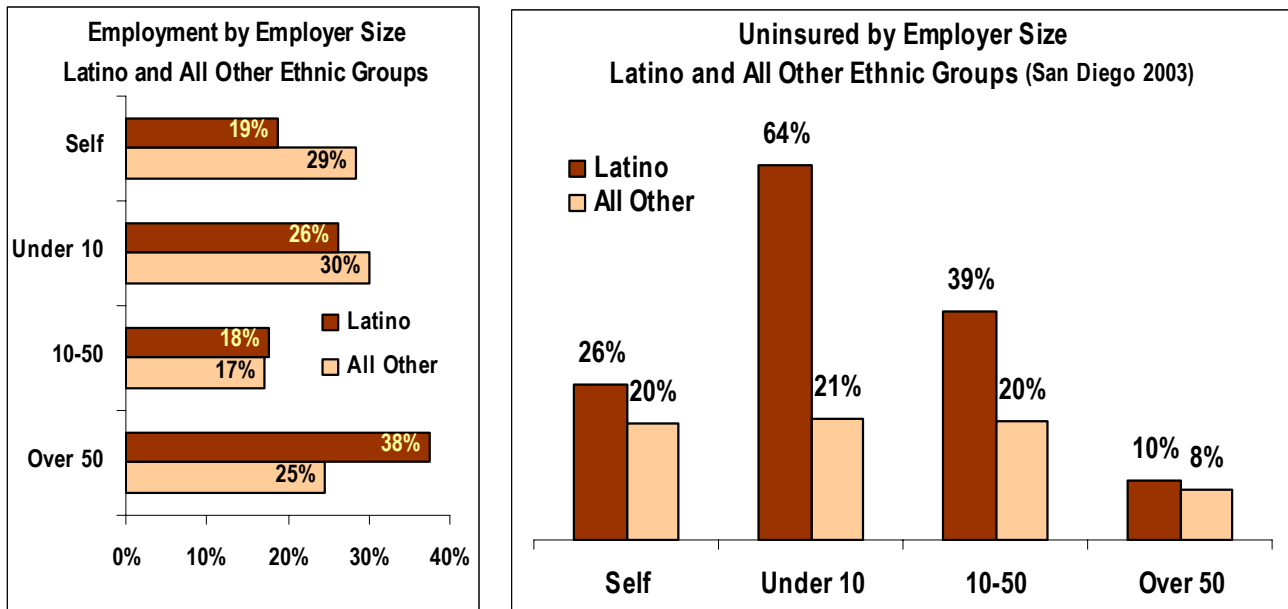


Latino Workers More Likely to be Uninsured

Latino employees are more likely to be uninsured than all other ethnic groups; however, employment characteristics differ significantly. Latinos are less likely to be self-employed and more likely to work in larger firms (*Table 0*).

Regardless of employer size, Latino workers are more likely to be uninsured than all other ethnic groups combined. An estimated 64% of Latinos working in firms with fewer than 10 employees, and 39% working in firms with 10-50 employees are uninsured.

Table 10



Target Population

San Diego Healthcare Connection pilot program targets uninsured workers and their families because they represent more than three out of four of all non-elderly uninsured (*Table 11*). In Phase 1 of the program, part-time workers (under 20 hours per week), working spouses and Medi-Cal eligible children are excluded. Feasibility and planning for these excluded populations would take place over the first two years of the program.

Table 11

Target Group	0-199%	200-299%	300% +	Total	Under 300% FPL	% of Total
Working Families With Children						
Adult Workers	62,406	3,373	5,441	71,220	65,779	29.2%
Spouses	19,714	981	1,927	22,622	20,695	9.2%
Children	47,786	2,582	4,166	54,534	50,368	22.4%
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Other Working Adults	59,379	29,027	47,722	136,128	88,406	39.2%
Total Target Population	189,285	35,963	59,256	284,504	225,248	100.0%
Total Phase 1 Target Population	121,785	32,400	53,163	207,348	154,185	68.5%

Double-digit premium increases and changes in employment practices are eroding employment-based coverage as the primary source of health coverage in San Diego and across the nation; this is especially true for dependents. Fewer and fewer employers are covering the full cost of employee coverage, let alone contributing to dependent coverage. Many uninsured cannot afford to accept coverage if it is offered and most of the uninsured cannot afford to purchase individual coverage.

Public health coverage programs have not been able to keep pace with the health care needs of low to modest income individuals and families. While the issue has been recognized, discussed and established as a legislative priority, solutions have not been pursued and/or implemented due to State

Note: Data on insurance status from UCLA Center for Health Policy Research (www.ucla.edu and www.chis.ucla.edu; Population data from State Department of Finance (www.dof.ca.gov).

budget constraints and Federal funding limitations. A brief profile of the target populations is provided in the sections below.

Working Families with Children

This target group includes full-time employees or self-employed adults with children eligible for Medi-Cal or Healthy Families, non-working spouses and children. It is estimated that there are close to 86,500 adults (65,800 workers) and 50,400 children in uninsured families under 300% FPL with at least one full-time worker and collectively represent 52% of the target population.

The premium assistance program would be available to those uninsured adults with children up to 300% FPL. FPL is based upon gross income, rather than net income, and does not take public program income deductions or credits into account (e.g., child care, child support, working expense, etc.); the gross FPL figure is relatively equivalent to 250% FPL but has been used for simplification. If foundation funding is secured for the employer share of premium, dependent spouses and children not eligible for public program funding would be covered by the premium assistance program.

For those workers over 300% FPL, the program would provide access to group coverage options through the SDHC participating health plans; we do not believe that premium assistance funding for this income level would be approved by State and Federal governments.

Other Working Adults

This target group includes full-time employees or self-employed adults without eligible children and their spouses. There are approximately 88,500 full-time uninsured workers in this category under 300% FPL and 47,750 above 300% FPL.

The premium assistance program would be available to those uninsured adults without eligible children up to 300% FPL (gross). Employer contribution to an eligible spouse's premium is voluntary; however, it is estimated that there are only 3,500 uninsured, non-working spouses in this category because a large proportion of this target group is single. For workers over 300% FPL, the program would provide access to group coverage options through SDHC participating health plans.

Adult Demographics

It is estimated that approximately 66% of the SDHC adult target population is male and 34% are female (*Table 12*). Overall, 40% are under 30 years of age, 26% between 30-39 years, 27% between 40-54 and 6% are 55 years or over.

Table 12

Age	Male	Female	All
18-29	41.5%	38.3%	40.4%
30-39	27.2%	24.9%	26.4%
40-54	25.7%	29.7%	27.1%
55+	5.5%	7.1%	6.1%
Total	100.0%	100.0%	100.0%
% of Total	65.6%	34.4%	100.0%

Exhibit 1
San Diego Uninsured Worker Summary
Selected Data Elements: 2005 Population (CHIS 2003)

Categories	Percentages			Numbers		
San Diego Nonelderly Population (DC)	-	-	-	2,711,053	-	-
Children (Census 2000 Breakdown) 0-17	-	-	-	784,727	-	-
Adults (Census 2000 Breakdown) 18-64	-	-	-	1,926,326	-	-
San Diego Uninsured (All Nonelderly)	Current	Past 12 Mos	Both	Current	Past 12 Mos	Both
All Nonelderly	16.6%	5.3%	21.9%	452,322	143,686	596,007
Children (CHIS 2003)	11.0%	2.0%	13.0%	86,320	15,695	102,014
Nonelderly Adults (CHIS 2003)	19.0%	6.4%	25.4%	366,002	123,285	489,286
San Diego Uninsured by Family Type	All	Kids	Adults (NE)	All	Kids	Adults (NE)
Single Adult	44.0%	-	53.5%	199,022	-	195,811
Married No Kids	7.5%	-	9.2%	33,924	-	33,672
Married With Kids	28.0%	49.0%	23.6%	126,650	42,297	86,376
Single WithKids	20.5%	51.0%	13.7%	92,726	44,023	50,142
Total	100.0%	100.0%	100.0%	452,322	86,320	366,002
	FT	PT	All	FT	PT	All
Uninsured Adult Workers (CHIS 2003)	52.0%	10.0%	62.0%	190,321	36,600	226,921
Uninsured Workers by Family Type (CHIS 2003)						
Single Adult	60.6%	60.8%	60.6%	115,335	22,253	137,587
Married No Kids	4.2%	21.7%	7.0%	7,993	7,942	15,936
Married With Kids	22.8%	11.8%	21.0%	43,393	4,319	47,712
Single WithKids	12.4%	5.7%	11.3%	23,600	2,086	25,686
Total	100.0%	100.0%	100.0%	190,321	36,600	226,921
Uninsured Adult Workers by Employer Type - Full or Part Time (CHIS 2003)						
Self Employed	68.4%	31.6%	100.0%	37,262	17,198	54,460
Employees (work in firm/govt)	88.7%	11.3%	100.0%	152,902	19,557	172,459
Employees by Firm Size						
Under 10	45.1%	71.3%	48.1%	68,959	13,944	82,903
10-50 Employees	24.6%	12.7%	23.3%	37,614	2,484	40,098
51-99	4.0%	0.0%	3.5%	6,116	-	6,116
100-999	12.0%	11.5%	11.9%	18,348	2,249	20,597
1,000 +	14.3%	4.5%	13.2%	21,865	880	22,745
Total	100.0%	100.0%	100.0%	152,902	19,557	172,459

Exhibit 1
San Diego Uninsured Worker Summary
Selected Data Elements: 2005 Population (CHIS 2003)

Categories	Percentages			Numbers		
Uninsured Adult Workers by Benefit Group - FPL (CHIS 2003)						
	FT Emp	Self Emp	All Wkrs	FT Emp	Self Emp	All
0-199% FPL	36.2%	13.7%	30.3%	55,350	7,461	62,811
100-199% FPL	30.2%	23.5%	28.4%	46,176	12,799	58,975
200-299% FPL	14.5%	18.8%	15.6%	22,170	10,238	32,408
300% FPL +	19.1%	44.0%	25.6%	29,204	23,962	53,166
Total	100.0%	100.0%	100.0%	152,900	54,460	207,360
Under 300% FPL	80.9%	56.0%	74.4%	123,696	30,498	154,194
Tageted Workers by FPL and Family Group						
	0-199%	200-299%	300%+	0-199%	200-299%	300%+
Full Time Employees						
Single No Kids	47.5%	87.9%	94.0%	48,199	19,487	27,451
Married No Kids	3.0%	3.7%	0.0%	3,076	829	-
Married With Kids	33.3%	2.5%	6.0%	33,842	563	1,752
Single With Kids	16.2%	5.8%	0.0%	16,408	1,285	-
Total	100.00%	100.0%	100.0%	101,525	22,164	29,203
Under 300% FPL	80.9%			123,689		
Self Employed						
Single No Kids	40.0%	59.7%	60.5%	8,104	6,106	14,497
Married No Kids	0.0%	25.5%	24.1%	-	2,605	5,774
Married With Kids	40.0%	14.9%	9.8%	8,104	1,525	2,348
Single With Kids	20.0%	0.0%	5.6%	4,052	-	1,341
Total	100.0%	100.0%	100.0%	20,260	10,236	23,960
	56.0%			30,496		
SDHCC Target Population	0-199%	200-299%	300%+	Total	<300%	
Workers (FT Emp + Self Emp)	121,785	32,400	53,163	207,348	154,185	
Spouses w/kids (not working)	19,696	980	1,925	22,601	20,676	
Children (% eligible)	47,871	2,587	4,173	54,631	50,458	
Kids Per Worker					-	
Total Target Group	189,352	35,967	59,261	284,580	225,319	
Total Dependents	67,567	3,567	6,098	77,232	71,134	